
Lee Amendment #28

On January 27, 2021, President Biden’s first day in office, he issued Executive Order 14008 which, among other things, directed the Secretary of Interior to “...pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of Federal oil and gas permitting and leasing practice...”¹ The Department of Interior followed this directive and halted all sales of onshore and offshore leases until the “pause” or moratorium was enjoined in court in June 2021.² Since that time the Department has begrudgingly offered for lease a greatly diminished number of leases onshore. DOI has failed thus far to successfully offer an offshore lease.³

This action is a feature in a broad and multifaceted attempt by political/environmental activists and money managers to decarbonize by stifling investment and production of fossil fuels. These misguided policies that emphasize attacking supply to reduce demand will instead create substantial inflationary damage. The prices of multiple critical global commodities—including staple food grains—often move in close synchronization with oil prices due to the prevalence of petroleum-based agricultural inputs. The global base of power plants, cars, trucks, ships, planes, materials, food, and fiber production still overwhelmingly relies on carbon fuels.⁴

With this in mind, we believe the President should not have the ability to simply ‘flip the switch’ on a critical step in energy investment by prohibiting oil and gas leasing. The Department of Interior completed its review of the oil and gas leasing program in November of 2021.⁵ The President, however, is continuing to litigate the injunction of the court preventing him from issuing a moratoria. This begs the question, “What other future moratorium does the President intend to place?”

Bill Specifics

- Lee amendment #28 would prevent the President from unilaterally issuing moratoria on new oil and gas leases or permits to drill on federal land, unless authorized by an Act of Congress.

¹ <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

² Having considered the pleadings, the record, the applicable laws, evidence, and oral arguments of counsel, for the reasons set forth herein, this Court finds Plaintiff States have satisfied the requirements for a preliminary injunction. Accordingly, Plaintiff States' Motion for Preliminary Injunction is GRANTED. <https://casetext.com/case/louisiana-v-biden>

³ <https://thehill.com/policy/energy-environment/3487940-canceled-lease-sales-raise-new-questions-for-offshore-drilling/>

⁴ <https://foreignpolicy.com/2022/01/14/fossil-fuel-divestment-climate-change-energy-transition/>

⁵ <https://www.doi.gov/sites/doi.gov/files/report-on-the-federal-oil-and-gas-leasing-program-doi-eo-14008.pdf>

Lee Amendment #37

Environmental Social Governance criteria, or ESG, have recently evolved into a sweeping set of obligations imposed on companies by financial regulators, markets, and institutions around the world. The number one goal of the ESG movement is to ensure divestment from fossil fuels (even up and down the supply chain). The ESG movement has made energy investment riskier and more expensive, leading to higher fuel costs for American families.

Earlier this year, the Securities and Exchange Commission (SEC) joined in on the ESG frenzy by issuing a proposed rule that would require companies to report their greenhouse-gas emissions including – for large companies – related emissions data from suppliers and customers . The SEC [likely under-]estimates the plan will raise the total compliance cost of SEC disclosure requirements for businesses from \$3.9 billion to \$10.2 billion. For companies that are starting from scratch in reporting climate data, complying with the rules could be much more expensive than the SEC estimates¹. These compliance costs will squeeze the margins of smaller businesses, who are often the suppliers and customers of large businesses subject to SEC disclosure requirements.

In addition to imposing compliance burdens on companies, this proposed rule goes far beyond the SEC’s legislative mandate limiting disclosure requirements to information relevant to a company’s financial performance². The proposed rule creates an entirely new disclosure framework that is not focused on materiality, but instead is focused on a company’s environmental agenda. In fact, existing disclosure rules already cover material climate risks³. This rule is a blatant attempt to force private businesses to play along with the radical ESG agenda. Lee Amendment #37 would avert this attempt to have unelected financial regulators set climate and energy policy, which would only exacerbate the inflationary pains that Americans are feeling.

Amendment Specifics

- Prohibits the SEC from taking any action to implement the proposed rule entitled “The Enhancement and Standardization of Climate-Related Disclosures for Investors,” published on April 11, 2022.

¹ <https://www.wsj.com/articles/fight-brews-over-cost-of-sec-climate-change-rules-11652779802>

² <https://www.law.cornell.edu/cfr/text/17/230.405>

³ For example, Item 303 of Regulation S-K, Management’s Discussion and Analysis of Financial Conditions and Results of Operations (“MD&A”) requires disclosure of “material events and uncertainties known to management that are reasonably likely to cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.